

# 2003 FIRST QUARTER REPORT

## January 1 – March 31, 2003



### NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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## Table of Contents

I.	Quarterly Highlights	1
II.	Community Development	2
	<b>A. Progress Toward Goals, Objectives, Milestones</b>	<b>2</b>
	Administrative	2
	CDQ Harvest Management	3
	Fund for Purchase of Equity Interest	4
	Funding for Harvesting and Tendering Vessel	5
	Fund for IFQ Purchases	5
	Education, Employment and Training Program – Education & Training Component	6
	Education, Employment and Training Program - Employment Component	6
	Education Endowment	7
	Revolving Loan Program	8
	Fisheries Development Program	8
	Salmon Rehabilitation and Enhancement Program	8
	Shoreside Infrastructure Improvements Program	9
	CDQ Fees	9
	Norton Sound Seafood Products	9
	Norton Sound Vessel Management	9
	Community Outreach Program	10
	Other Fund Management	10
	Board Training	11
	Substance Abuse Prevention	11
	Community Benefit Share	11
	<b>A. Outreach</b>	<b>12</b>
	<b>B. Employment</b>	<b>13</b>
	Employment Data Form	13
	Employment Summary	14
	<b>C. Training</b>	<b>16</b>
	Training Data Form	16
	Training Summary	16
III.	Administration	17
	<b>A. Board Activities</b>	<b>17</b>
	Board of Director Meetings	17
	Substantial Decisions	17
	Board Meeting Minutes	17

<b>B. State of Alaska Reporting Compliance</b>	<b>17</b>
<b>C. Amendment Status</b>	<b>18</b>
<b>IV. Harvesting Report</b>	<b>18</b>
<b>A. Pollock and Multi-species CDQ Harvest Activities by Target Fishery</b>	<b>18</b>
<b>B. CDQ Fishing Activities</b>	<b>33</b>
Pollock	33
Pacific Cod	34
Sablefish	34
Greenland Turbot	34
Atka Mackerel	34
Yellowfin Sole and Rock Sole	34
Halibut	35
Bering Sea Opilio Crab	35
Norton Sound Red King Crab	35
Bristol Bay Red King Crab	36
St. Matthew Blue King Crab	36
Bering Sea Bairdi Crab	36
<b>V. Confidential Issues</b>	<b>36</b>
<b>A. Financial Statements</b>	<b>36</b>
<b>B. Tax Issues</b>	<b>36</b>
<b>C. Imminent Major Investments</b>	<b>37</b>
<b>D. Other</b>	<b>37</b>

## **I. Quarterly Highlights**

- NSEDC standing committees held their 2002 fourth quarter meetings in Nome on January 22 – 23, 2003.
- NSEDC Board of Directors held their 2002 fourth quarter meetings in Nome on January 23 – 24, 2003.
- Glacier Fish Company held their quarterly management meeting on March 6, 2003.
- NSEDC awarded \$81,250 to sixty-five residents in post-secondary scholarships during the first quarter of 2003.
- NSEDC awarded \$12,000 to eight residents in vocational scholarships during the first quarter of 2003
- Twenty-five residents of member communities or of nearby communities worked on the *F/V Northern Glacier*, *F/V Pacific Glacier* and the *F/V Norton Sound* earning a total of \$241,960.47 in wages in the first quarter.
- Two residents of member communities or of nearby communities worked for Norton Sound Ventures LLC on the *F/V Alaskan Beauty* and the *F/V Ocean Olympic* earning a total of \$10,800 in wages in the first quarter.
- Four residents of member communities or of nearby communities worked with Icicle Seafoods earning a total of \$17,552.41 in wages in the first quarter.
- NSEDC sponsored a Fisheries Safety Orientation Class at the Alaska Vocational Technical Center from February 2 – 13, in which thirteen participants were certified.
- A total of five internship positions were sponsored by NSEDC at NSEDC and Hageland Aviation in Unalakleet during the first quarter
- NSEDC/NSSP purchased a total of 7,021 lbs. of Norton Sound winter red king crab in Nome from eleven fishermen for a total value to the fishermen of \$22,818.25.
- NSEDC Norton Sound Fisheries Research and Development Program conducted a Blue king crab experimental fishery in Diomede.
- Three projects were approved for continuation by the Norton Sound Steering Committee, including the chum salmon ecology study (Safety Sound), the chum and coho salmon fecundity study (Unalakleet River and the Fish River drainage), and the expanded coho salmon production study (Unalakleet and Nome Rivers).
- NSEDC launched a new and improved website – [www.nsedc.com](http://www.nsedc.com).

## **II. Community Development**

### **A. Progress Toward Goals, Objectives, Milestones**

#### **Administrative**

MILESTONE: NSEDC BOARD OF DIRECTORS WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2003-2005

Activity: NSEDC Board of Directors held their 2002 fourth quarter meetings in Nome on January 22-24, 2003.

MILESTONE: NSEDC WILL HAVE AN ANNUAL AUDIT TO BE COMPLETED BEFORE MAY 31 OF 2003-2005

Activity: NSEDC contracted with KPMG to perform the NSEDC 2002 annual audit that KPMG began in the first quarter.

MILESTONE: NSEDC WILL PREPARE AND SUBMIT AN ANNUAL BUDGET FOR THE FOLLOWING YEAR, NOT LATER THAN THE END OF THE FIRST QUARTER OF EACH YEAR.

Activity: NSEDC submitted an annual budget for 2003 in December of 2002.

MILESTONE: NSEDC WILL PREPARE A CORPORATE ANNUAL REPORT FOR ITS MEMBERS, AND MAIL IT TO RESIDENTS IN THE FIFTEEN MEMBER COMMUNITIES BY THE THIRD QUARTER OF 2003-2005

Activity: Work on the NSEDC Corporate Annual Report for 2002 began in the first quarter.

MILESTONE: NSEDC WILL PROVIDE STAFF TRAINING EACH YEAR, NOT LATER THAN THE END OF THE FOURTH QUARTER

Activity: No activity this quarter.

MILESTONE: NSEDC WILL FILE QUARTERLY REPORTS TO THE STATE OF ALASKA WITHIN THIRTY DAYS OF THE END OF EACH CALENDAR QUARTER

Activity: Quarterly reports for the fourth quarter of 2002 were submitted to the State of Alaska on January 31, 2003.

MILESTONE: NSEDC WILL FILE AN ANNUAL REPORT TO THE STATE OF ALASKA BY MAY 31 OF EACH YEAR

Activity: The NSEDC 2002 Annual report was submitted to the State of Alaska on January 31, 2003.

MILESTONE: NSEDC WILL SUBMIT AN OMNIBUS BUDGET PLAN AMENDMENT, BY THE END OF THE SECOND QUARTER OF EACH YEAR

Activity: No activity this quarter.

### **CDQ Harvest Management**

MILESTONE: BY THE END OF THE THIRD QUARTER OF THE YEAR 2005 NEGOTIATE NEW HARVEST AGREEMENTS FOR ALL MULTISPECIES CDQ.

Activity: No activity this quarter.

MILESTONE: NSEDC AND GFC WILL HARVEST IT CDQ POLLOCK ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF EACH FISHING SEASON.

Activity: NSEDC and GFC harvested 7,973 metric tons of CDQ pollock using the *F/V Pacific Glacier* and 3,644 metric tons of CDQ pollock using the *F/V Northern Glacier* for a total of 11,617 metric tons harvested during the first quarter of 2003.

MILESTONE: NSEDC AND ITS HARVEST PARTNERS FOR CRAB WILL HARVEST ITS CDQ ALLOCATIONS, AS CLOSE AS REASONABLY POSSIBLE WITHOUT OVER-HARVEST, OF CRAB BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES.

Activity: NSEDC and NSV harvested and delivered a total of 381,692 pounds of CDQ opilio crab using the *F/V Alaskan Beauty* and *F/V Ocean Olympic* during the first quarter of 2003.

MILESTONE: NSEDC AND ITS HARVESTING PARTNERS FOR PACIFIC COD, GREENLAND TURBOT, AND SABLEFISH WILL HARVEST ITS CDQ ALLOCATIONS, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES.

Activity: NSEDC, GFC and NSV harvested a total of 614 metric tons of CDQ Pacific cod using the *F/V Norton Sound* (GFC) and the *F/V Glacier Bay* (NSV) during the first quarter of 2003.

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ROCK SOLE WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR.

Activity: There was no directed harvest of rock sole and/or other flatfish fisheries during the first quarter of 2003.

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ATKA MACKEREL WILL HARVEST IT CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR.

Activity: There was no directed harvest of Atka mackerel during the first quarter of 2003.

MILESTONE: NSEDC WILL ATTEND NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MEETINGS IN 2003-2005 .

Activity: NSEDC staff and representatives attended the NPFMC meetings in Seattle, WA during the first quarter of 2003.

### **Fund for Purchase of Equity Interest**

MILESTONE: NSIC WILL MAKE A REPORT TO THE BOARD OF DIRECTORS OF NSEDC AT EACH QUARTERLY NSEDC BOARD MEETING.

Activity: NSIC gave a report to the NSEDC Board of Directors at the 2002 fourth quarter meetings in January 2003.

MILESTONE: NSIC MANAGEMENT COMMITTEE WILL MEET AT LEAST ONCE EACH QUARTER

Activity: NSIC Management Committee met on January 22, 2003.

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR EQUITY INVESTMENT IN ONE OR MORE BERING SEA FISHING COMPANIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005

Activity: Activity is ongoing.

MILESTONE: NSIC WILL TIMELY RESPOND TO ANY OFFER MADE UNDER A BUY/SELL AGREEMENT IN INVESTMENTS TO WHICH NSIC IS A PARTY

Activity: No buy-sell offers were made during the first quarter of 2003.

MILESTONE: NSIC WILL ATTEND ALL REGULAR AND SPECIAL MEETINGS OF THE OWNERS FOR COMPANIES IN WHICH NSIC HAS A DIRECT OWNERSHIP INTEREST, OTHER THAN PASSIVE EQUITY INTEREST, AND A RIGHT TO ATTEND AND PARTICIPATE IN THE MEETING.

Activity: NSIC attended the GFC quarterly meeting on March 6, 2003.

MILESTONE: NSIC WILL INCREASE ITS LEVEL OF EQUITY INVESTMENT IN THE FISHING INDUSTRY BY THE END OF THE 4<sup>TH</sup> QUARTER 2005

Activity: No new NSIC equity investments in the fishing industry were

consummated in the first quarter 2003.

### **Funding for Harvesting and Tendering Vessel**

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR INVESTMENT IN ONE OR MORE BERING SEA FISHING VESSELS BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005

Activity: Activity is ongoing.

MILESTONE: NSIC WILL TIMELY RESPOND TO ANY OFFER MADE UNDER A BUY/SELL AGREEMENT IN INVESTMENTS TO WHICH NSIC IS A PARTY

Activity: No buy-sell offers were made during the first quarter of 2003.

MILESTONE: NSIC WILL ATTEND ALL REGULAR AND SPECIAL MEETINGS OF THE OWNERS FOR COMPANIES IN WHICH NSIC HAS A DIRECT OWNERSHIP INTEREST, OTHER THAN PASSIVE EQUITY INTEREST, AND A RIGHT TO ATTEND AND PARTICIPATE IN THE MEETING

Activity: NSIC attended the GFC quarterly meeting on March 6, 2003.

MILESTONE: NSIC WILL HAVE AN INTEREST IN ONE OR MORE ADDITIONAL HARVEST VESSELS BY THE END OF THE FOURTH QUARTER 2005.

Activity: Activity is ongoing.

### **Fund for IFQ Purchases**

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR ACQUISITION OF ADDITIONAL QUOTA SHARE BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005, AND WILL ACQUIRE ADDITIONAL QUOTA SHARE BY THE END OF THE FOURTH QUARTER 2005

Activity: NSIC evaluated both halibut quota shares and IFQ quota shares during the first quarter of 2003.

MILESTONE: NSIC WILL PUT THE IFQ IT OWNS OUT FOR HARVEST, AND HARVEST AS MUCH AS REASONABLY POSSIBLE BY THE END OF THE FOURTH QUARTER EACH YEAR

Activity: Activity is ongoing.

### **Education, Employment and Training Program – Education & Training Component**

MILESTONE: NSEDC WILL HAVE PROVIDED FISHERIES SKILLS TRAINING OPPORTUNITIES UNDER THIS CDP FOR 45 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: A Fisheries Safety Orientation class was held at Alaska Vocational Technical Education Center in Seward on February 2 – 13, 2003 in which fifteen residents were given the opportunity to receive their certifications. Thirteen of the fifteen residents received their certifications.

MILESTONE: NSEDC WILL AWARD AT LEAST \$120,000 IN SCHOLARSHIPS TO STUDENTS BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: NSEDC awarded \$81,250 to sixty-five students in post-secondary scholarships and \$12,000 to eight students in vocational scholarships in the first quarter of 2003.

MILESTONE: NSEDC EET PERSONNEL WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: NSEDC EET Coordinator made an outreach trip to Golovin on February 25, 2003.

MILESTONE: NSEDC WILL EVALUATE AND FUND AT LEAST ONE K-12 SUPPORT PROGRAM/PROJECT BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: NSEDC staff evaluated the possibility of providing financial support for the development of a regional learning center in Nome, which is co-sponsored by the Bering Straits School District and the Nome Public School District, during the first quarter of 2003.

### **Education, Employment and Training Program - Employment Component**

MILESTONE: NSEDC AND NSSP WILL FACILITATE THE EMPLOYMENT OF 110 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES ONTO FACTORY TRAWLERS, OTHER OFFSHORE FISHING VESSELS, NEAR-SHORE PROCESSORS AND FISHING VESSELS, AND IN SHORESIDE PROCESSING PLANTS BY THE END OF THE FOURTH QUARTER OF EACH YEAR

Activity: Twenty-five residents of member communities or of nearby communities received \$241,960.47 in crew share wages from Glacier Fish Company during the first quarter.

Two residents of member communities or of nearby communities worked for Norton Sound Ventures LLC earning a total of \$10,800 in wages in the first quarter

Four residents of member communities or of nearby communities received \$17,552.41 in wages from Icicle Seafoods during the first quarter.

One resident of a member community or of a nearby community received \$238.00 in wages from NSSP during the first quarter.

**MILESTONE:** NSEDC EET PERSONNEL WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

**Activity:** NSEDC EET Coordinator made an outreach trip to Golovin on February 25, 2003.

**MILESTONE:** NSEDC WILL PLACE AT LEAST SIX INTERNSHIPS IN OFFICE OR FIELD SETTINGS BY THE END OF THE FOURTH QUARTER EACH YEAR.

**Activity:** Five internship positions were sponsored by NSEDC at various organizations during the first quarter. The following is a list of the organizations, interns and internship positions.

**NSEDC**

- Leslie Richards, Administrative Intern (White Mountain)
- Gabriel Towarak, Accounting Intern (Unalakleet)
- Katie Morris, NSIC/Accounting Intern (White Mountain)

**NSEDC Salmon Rehabilitation & Enhancement Program**

- Vaughn Munn, Fisheries Technician (Nome)

**Hageland Aviation – Unalakleet**

- Loretta Ivanoff, Airline Agent Intern (Unalakleet)

**Education Endowment**

**MILESTONE:** NSEDC WILL EVALUATE THE POSSIBILITY OF FUNDING THE EDUCATION, TRAINING, AND SCHOLARSHIP PROGRAM FROM EARNINGS OF THE EDUCATION, TRAINING, AND SCHOLARSHIP ENDOWMENT AND DEVELOP A SCHEDULE FOR DOING SO, BY THE END THE FOURTH QUARTER 2005.

**Activity:** No activity this quarter.

**MILESTONE:** NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.

Activity: The NSEDC Financial Advisory Committee met and reviewed investment performances on January 23, 2003.

### **Revolving Loan Program**

MILESTONE: NSEDC WILL CONDUCT ANNUAL REVIEWS OF THE REVOLVING LOAN PROGRAM BY THE END OF THE 4<sup>TH</sup> QUARTER EACH YEAR.

Activity: The NSEDC Financial Advisory Committee met and reviewed the Revolving Loan Program on January 23, 2003.

MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW THE REVOLVING LOAN PROGRAM PORTFOLIO QUARTERLY.

Activity: The NSEDC Financial Advisory Committee met and reviewed the Revolving Loan Program on January 23, 2003.

### **Fisheries Development Program**

MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO CONDUCT FISHERIES DEVELOPMENT ACTIVITIES BY THE END OF THE SECOND QUARTER EACH YEAR.

Activity: A fisheries development plan for 2003 was completed by the program manager for Norton Sound Fisheries Research and Development during the first quarter.

MILESTONE: NSEDC WILL FUND AT LEAST ONE FISHERY DEVELOPMENT PROJECT BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: NSEDC Norton Sound Fisheries Research and Development Program conducted a Blue king crab experimental fishery project in Diomedes during the first quarter.

### **Salmon Rehabilitation and Enhancement Program**

MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO FUND SALMON REHABILITATION AND ENHANCEMENT PROJECTS BY THE END OF THE SECOND QUARTER OF EACH YEAR.

Activity: A salmon rehabilitation and enhancement plan for 2003 was completed by the program manager for Norton Sound Fisheries Research and Development during the first quarter.

MILESTONE: NSEDC WILL FUND AT LEAST ONE SALMON REHABILITATION AND ENHANCEMENT PROJECT BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: Three projects were approved by the upcoming 2003 season by the NSEDC Board of Directors and the Norton Sound Steering Committee, planning and coordinating of the three projects took place during the first quarter.

### **Shoreside Infrastructure Improvements Program**

MILESTONE: NSEDC WILL EVALUATE AT LEAST TWO SITE-SPECIFIC SHORESIDE INFRASTRUCTURE IMPROVEMENT PROJECTS EACH YEAR

Activity: The Shoreside Infrastructure Improvements Program evaluated the White Mountain Fisheries Disaster Project, Golovin Fisheries Disaster Project and the Native Village of Unalakleet Seafood Processing Plant Upgrade Project during the first quarter.

MILESTONE: NSEDC WILL MAKE ALL APPROVED CONTRIBUTIONS TO THE NOME NAVIGATION IMPROVEMENTS PROJECT IN A TIMELY FASHION.

Activity: The 2003 contribution to the Nome Navigation Improvements Project is scheduled for June.

### **CDQ Fees**

MILESTONE: NSEDC WILL MAKE ANY REQUIRED PAYMENTS OF CDQ FEES WITHIN 60 DAYS OF THE END OF THE QUARTER IN WHICH THEY ARE DETERMINABLE

Activity: No activity this quarter.

### **Norton Sound Seafood Products**

MILESTONE: THE NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NSSP NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR.

Activity: NSSP management prepared a 2003 Operations Plan to be presented to the board at the meetings in April.

MILESTONE: NSEDC OR AN NSEDC SUBSIDIARY WILL MARKET AT LEAST 50% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: This activity continues to be coordinated by NSEDC and Glacier Seafood International. Also, NSEDC recently established a joint venture arrangement with Royal Aleutian Seafoods for the processing and sales for NSEDC CDQ crab.

### **Norton Sound Vessel Management**

MILESTONE: NORTON SOUND VESSEL MANAGEMENT WILL EVALUATE OPERATIONS IN THE REGION INCLUDING SUPPORT TO THE HERRING, SALMON, CRAB AND HALIBUT FISHERIES BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Norton Sound Vessel Management prepared, in conjunction with the NSSP 2003 Operations Plan, proposed operations for NSVM for the upcoming season. These plans will be presented to the board at the meetings in April.

MILESTONE: THE NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NORTON SOUND VESSEL MANAGEMENT NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR

Activity: Norton Sound Vessel Management prepared, in conjunction with the NSSP 2003 Operations Plan, proposed operations for NSVM for the upcoming season. These plans will be presented to the board at the meetings in April.

### **Community Outreach Program**

MILESTONE: PROVIDE STAFF SUPPORT AND FUNDING FOR THE PREVENTION OF ALCOHOL AND SUBSTANCE ABUSE BY THE END OF EACH YEAR.

Activity: No activity this quarter.

MILESTONE: DIRECTLY CONTACT AT LEAST 30 INDIVIDUALS EACH QUARTER REGARDING THE AVAILABILITY OF NSEDC'S TRAINING AND SCHOLARSHIP PROGRAMS.

Activity: Thirty-one individuals were directly contacted by the NSEDC Liaisons regarding the NSEDC training and scholarship programs, and the EET Coordinator made an outreach trip to Golovin speaking to a large roomful of individuals on the EET Program.

### **Other Fund Management**

MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.

Activity: The NSEDC Financial Advisory Committee met and reviewed investment performance and asset allocation on January 22, 2003.

MILESTONE: NSEDC AND NSIC WILL PROVIDE INVESTMENT OVERSIGHT AND MONITORING OF ALL INCOME-PRODUCING INVESTMENTS DURING EACH QUARTER.

Activity: NSEDC and NSIC monitored all income-producing investments during the first quarter and will present a report to the board at the NSIC Management Committee meeting and the NSEDC Financial Advisory Committee meeting in April.

### **Board Training**

MILESTONE: THE NSEDC BOARD OF DIRECTORS WILL ATTEND AN ANNUAL RETREAT FOR THE PURPOSE OF BOARD TRAINING BY THE END OF THE 4TH QUARTER EACH YEAR.

Activity: No activity this quarter.

### **Substance Abuse Prevention**

MILESTONE: NSEDC WILL CONTINUE TO FOLLOW THE SUBSTANCE ABUSE POLICIES OUTLINED IN OUR PERSONNEL POLICIES.

Activity: NSEDC continued to follow the substance abuse policies during the first quarter.

MILESTONE: NSEDC WILL SCREEN ALL APPLICANTS FOR EMPLOYMENT POSITIONS WITHIN THE SEAFOOD INDUSTRY FOR DRUG-FREE STATUS.

Activity: NSEDC and GFC continued to screen all applicants for training and seafood industry employment opportunities during the first quarter.

MILESTONE: NSEDC WILL MAKE A GRANT TO EACH SCHOOL DISTRICT THAT FALLS WITHIN OUR MEMBER COMMUNITIES TO AID IN FUNDING AN ABUSE PREVENTION PROGRAM/CURRICULUM.

Activity: No activity this quarter.

### **Community Benefit Share**

MILESTONE: THE NSEDC BOARD WILL DECLARE A COMMUNITY BENEFIT SHARE BY THE END OF THE THIRD QUARTER OF EACH YEAR.

Activity: No activity this quarter.

MILESTONE: NSEDC WILL TRANSMIT FUNDS TO EACH COMMUNITY THAT ACCEPTS THE TERMS OF THE COMMUNITY BENEFIT SHARE WITHIN 45 DAYS OF NSEDC'S NOTIFICATION OF THE ACCEPTANCE.

Activity: No activity this quarter.

## **A. Outreach**

NSEDC management and staff performed a number of outreach projects/activities during the first quarter of 2003.

- NSEDC Board of Directors held their 2002 fourth quarter meetings in Nome on January 22 – 24 at the Bering Straits Native Corporation Board room, these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2002 fourth quarter meeting by placing an ad in the Nome Nugget Newspaper.
- The 2002 fourth quarter reports were mailed out to each member community city office, NSEDC Board of Director and Community Outreach Liaison.
- NSEDC placed a number of newspaper advertisements during the first quarter, please see the attachments to this report.
- NSEDC has Community Outreach Liaisons in thirteen of our member communities with the EET office and the NSSC office serving the communities of Unalakleet and Nome, respectively. The NSEDC liaisons are sent informational fliers, applications, and other various information to disseminate to residents in their communities.
- NSEDC has an updated web page on the internet ([www.nsedc.com](http://www.nsedc.com)) in which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.

## B. Employment

### Employment Data Form

**Table 1**  
**EMPLOYMENT DATA FORM**  
**March 31, 2003**

	Quarter		Year-to-Date	
	People	Wages	People	Wages
<b>Management/Administrative</b>				
NSEDG	2	\$26,319.10	2	\$26,319.10
NSSP	3	\$31,804.72	3	\$31,804.72
<b>Total Management/Administrative</b>	<b>5</b>	<b>\$58,123.82</b>	<b>5</b>	<b>\$58,123.82</b>
<b>CDQ Pollock Related</b>				
A/B Season	24	\$241,840.47	24	\$241,840.47
C/D Season	0	\$0.00	0	\$0.00
<b>Total Pollock Related</b>	<b>24</b>	<b>\$241,840.47</b>	<b>24</b>	<b>\$241,840.47</b>
<b>NSSP Employment</b>	<b>1</b>	<b>\$238.00</b>	<b>1</b>	<b>\$238.00</b>
<b>Other NSEDG Employment</b>				
Skippers, Deckhands, etc.	0	\$0.00	0	\$0.00
<b>Total Other NSEDG Empl.</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>
<b>Other Fishing</b>				
GFC - Longline	1	\$120.00	1	\$120.00
Icicle Seafoods	4	\$17,552.41	4	\$17,552.41
Norton Sound Herring	0	\$0.00	0	\$0.00
Norton Sound Salmon	0	\$0.00	0	\$0.00
CDQ Norton Sound Red King Crab	0	\$0.00	0	\$0.00
O/A Norton Sound Red King Crab	0	\$0.00	0	\$0.00
CDQ 4D/4E Halibut	0	\$0.00	0	\$0.00
O/A Norton Sound Winter Red King Crab	11	\$22,818.00	11	\$22,818.00
<b>Total Other Fishing</b>	<b>16</b>	<b>\$40,490.41</b>	<b>16</b>	<b>\$40,490.41</b>
<b>NSEDG Community Outreach Liaisons</b>	<b>13</b>	<b>\$19,500.00</b>	<b>13</b>	<b>\$19,500.00</b>
<b>Interns</b>				
NSEDG Administration	3	\$3,161.28	3	\$3,161.28
NSEDG Salmon Rehab.	1	\$7,861.44	1	\$7,861.44
Hageland Aviation - Unalakleet	1	\$967.50	1	\$967.50
<b>Total Interns</b>	<b>5</b>	<b>\$11,990.22</b>	<b>5</b>	<b>\$11,990.22</b>
<b>GRAND TOTALS</b>	<b>64</b>	<b>\$372,182.92</b>	<b>64</b>	<b>\$372,182.92</b>
	<b>NSEDG =</b>	<b>\$80,627.32</b>	<b>NSEDG =</b>	<b>\$80,627.32</b>
	<b>NSSP =</b>	<b>\$32,042.72</b>	<b>NSSP =</b>	<b>\$32,042.72</b>
	<b>Partners =</b>	<b>\$259,512.88</b>	<b>Partners =</b>	<b>\$259,512.88</b>

## **Employment Summary**

**Management/Administrative** – Eleven personnel were employed at NSEDC's main office in Anchorage; two at the NSEDC offices in Unalakleet, and five at various plant operations in the region. Wages for these sixteen employees for the first quarter totaled \$243,195.38.

Of the eleven personnel employed at NSEDC's main offices in Anchorage ten of the personnel are past residents of the Norton Sound region.

Of the five personnel employed at various plant operations in the region during the first quarter three are residents of the region.

**CDQ Pollock** – Glacier Fish Company paid wages to twenty-four residents of NSEDC member communities or nearby communities who were employed in 36 trip positions in the first quarter of 2003 aboard the *F/V Northern Glacier* and the *F/V Pacific Glacier*.

**Community Breakdown:**

- 2 employees from Nome
- 7 employees from Stebbins
- 1 employee from Mountain Village
- 3 employees from Unalakleet
- 2 employees from White Mountain
- 1 employee from Koyuk
- 2 employees for Kaltag
- 3 employees from Anchorage
- 1 employee from Nulato
- 1 employee from St. Michael
- 1 employee from Shaktoolik

**NSSP Employment** – One resident was employed by NSEDC/NSSP at NSSP regional facilities in the region during the first quarter.

**Community Breakdown:** 1 employee from Nome

**Other Fishing** – One resident was employed by Glacier Fish Company aboard the *F/V Norton Sound*, and four residents were employed by Icicle Seafoods during the first quarter.

**Community Breakdown:**

- 1 employee from Unalakleet
- 3 employees from Nome
- 1 employee from Teller

Eleven fishermen participated in the Norton Sound Winter red king crab fishery delivering to the Norton Sound Seafood Center in Nome.

**Community Breakdown:** 11 fishermen from Nome

**NSEDC Community Outreach Liaisons** – Thirteen residents filled the thirteen liaison positions during the first quarter.

**Community Breakdown:** 1 liaison from St. Michael

- 1 liaison from Stebbins
- 1 liaison from Shaktoolik
- 1 liaison from Koyuk
- 1 liaison from Golovin
- 1 liaison from White Mountain
- 1 liaison from Brevig Mission
- 1 liaison from Teller
- 1 liaison from Wales
- 1 liaison from Diomede
- 1 liaison from Savoonga
- 1 liaison from Gambell
- 1 liaison from Elim

**Interns** –Five internship positions were sponsored by NSEDC at various Norton Sound organizations during the first quarter.

**Community Breakdown:**

- 2 intern from White Mountain
- 1 intern from Nome
- 2 interns from Unalakleet

## C. Training

### Training Data Form

**Table 2**  
**TRAINING DATA FORM**  
**March 31, 2003**

	<b>Quarter</b>		<b>Year-to-Date</b>	
	<b>People</b>	<b>Expenditures</b>	<b>People</b>	<b>Expenditures</b>
<b>Scholarships</b>				
Post-Secondary	65	\$81,250.00	65	\$81,250.00
Vocational	8	\$12,000.00	8	\$12,000.00
<b>Voc-Tech</b>				
Basic				
Advanced				
<b>Other Training</b>				
Fisheries related	13	\$34,474.82	13	\$34,474.82
Student Loans				
CDQ Staff				
CDQ Board				
Other - Marine Safety				
Other - Crab Tagging				
<b>Other Expenditures</b>				
To Educational Institute				
Education Endowment				
Other				
<b>TOTAL</b>	<b>86</b>	<b>\$127,624.82</b>	<b>86</b>	<b>\$127,624.82</b>

### Training Summary

#### Scholarships –

**Post-Secondary** – Sixty-five students received post-secondary scholarships in the first quarter.

**Community Breakdown:**

- 31 students from Nome
- 19 students from Unalakleet
- 1 student from Gambell
- 1 student from Shaktoolik
- 4 students from Stebbins
- 4 students from Elim
- 4 students from White Mountain
- 1 student from Golovin

**Vocational** - Eight students received vocational scholarships in the first quarter.

**Community Breakdown:** 1 student from Stebbins

3 students from Nome  
1 student from Koyuk  
1 student from White Mountain  
2 students from Gambell

### **Other Training –**

**Fisheries Related** – Thirteen trainees out of a pool of fifteen received their certification in Fisheries Safety Orientation Training from AVTEC in Seward, AK during the first quarter.

**Community Breakdown:** 2 trainees from White Mountain  
2 trainees from Brevig Mission  
2 trainees from Elim  
3 trainees from Anchorage  
1 trainee from Shishmaref  
3 trainees from Kaltag

## **III. Administration**

### **A. Board Activities**

#### **Board of Director Meetings**

The NSEDC Board of Directors held their 2002 fourth quarter meetings in Nome on January 23 – 24, 2003, with the standing committees meeting on the 22<sup>nd</sup> and 23<sup>rd</sup>.

#### **Substantial Decisions**

During the first quarter the following items were approved by the NSEDC Board of Directors: approval of the financial request from the Bering Straits School District and the Nome Public Schools for developing the Regional Learning Center in Nome; approval of the community boat trailers and boat ramp project; approval of the four projects to be presented to the Norton Sound Steering Committee for salmon rehabilitation and enhancement projects; and approval of the Drug and Alcohol Prevention Program.

#### **Board Meeting Minutes**

Please see Attachment 13

### **B. State of Alaska Reporting Compliance**

NSEDC complied with all State of Alaska requirements during the first quarter.

### **C. Amendment Status**

Amendments to the 2003-2005 Multi-species Community Development Plan (CDP) that were submitted during the first quarter are listed below:

- CDP amendment 03-01NS: This technical amendment proposed to transfer 1,500 mt of annual CDQ of pollock from NSEDC to CVRF. In exchange for this transfer of CDQ pollock, American Seafoods agreed to transfer 1,500 mt of AFA/coop pollock to GFC. GFC in turn would pay a royalty for the harvest of this AFA/coop pollock as if it were CDQ. This amendment was approved by NMFS on March 10, 2003.
- CDP amendment 03-02NS: This amendment proposed to transfer 40.0 metric tons of annual CDQ of sablefish in the Bering Sea to YDFDA from NSEDC to allow for the harvest of this CDQ by a fishing vessel, the F/V Lisa Marie. YDFDA and NSEDC have agreed to transfer this CDQ and in return NSEDC will receive a royalty payment from the vessel and company, Yukon Delta Fisheries Inc., which owns and operates the vessel. This amendment was approved by NMFS on March 28, 2003.
- CDP amendment 03-03NS: This amendment proposed to make a contribution of up to \$600,000 to the Native Village of Unalakleet for the Unalakleet Navigation Improvements Feasibility Study Project. This amendment was approved by NMFS on April 21, 2003.

## **IV. Harvesting Report**

### **A. Pollock and Multi-species CDQ Harvest Activities by Target Fishery**

See the following tables below:

Table 3:	MS CDQ/PSQ Account Status Report 2003
Table 4:	Pollock Target Fishery
Table 5:	Pacific Cod Target Fishery
Table 6:	Atka Mackerel/Pacific Ocean Perch Target Fishery
Table 7:	Yellowfin Sole Target Fishery
Table 8:	Rock Sole Target Fishery
Table 9:	Flathead Sole Target Fishery
Table 10:	Bering Sea Greenland Turbot Target Fishery
Table 11:	Aleutian Islands Greenland Turbot Target Fishery
Table 12:	Bering Sea Sablefish Target Fishery
Table 13:	Aleutian Islands Sablefish Target Fishery
Table 14:	Halibut Harvest Activity
Table 15:	Crab Harvest Activity
Table 16:	CDQ Quota Transfers

**CONFIDENTIAL**

**Table 3**  
**MS CDQ/PSQ ACCOUNT STATUS REPORT**  
**through First Quarter 2003**

**CONFIDENTIAL**

**Table 4**  
**POLLOCK TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 5**  
**PACIFIC COD TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 6**  
**ATKA MACKEREL /PACIFIC OCEAN PERCH TARGET FISHERIES**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 7**  
**YELLOWFIN SOLE TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 8**  
**ROCK SOLE TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 9**  
**FLAT HEAD SOLE TARGET FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 10**  
**BERING SEA GREENLAND TURBOT FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 11**  
**ALEUTIAN ISLANDS GREENLAND TURBOT TARGET FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 12**  
**BERING SEA SABLEFISH TARGET FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 13**  
**ALEUTIAN ISLANDS SABLEFISH TURBOT TARGET FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 14**  
**HALIBUT HARVEST ACTIVITY**  
(in metric tons)

**CONFIDENTIAL**

**Table 15**  
**CRAB HARVEST ACTIVITY**  
(in metric tons)

**CONFIDENTIAL**

**Table 16**  
**CDQ QUOTA TRANSFERS**  
(in metric tons)

## **B. CDQ Fishing Activities**

During the first quarter of 2003, NSEDC conducted CDQ fishing operations for pollock, Pacific cod, and opilio crab, all operating in the Bering Sea. We did not conduct directed fishing operations for our other target groundfish and crab CDQ fisheries. Through the end of the quarter, NSEDC harvested a total of 12,492.367 metric tons of annual CDQ including both target and bycatch species, representing approximately 33.8% of the revised total allocation of annual groundfish CDQ for the year.

### **Pollock**

During the first quarter, NSEDC harvested 11,617 metric tons of CDQ pollock using the F/V Pacific Glacier and the F/V Northern Glacier. The Northern Glacier took 3,644 metric tons of CDQ pollock during four trips in twenty-five fishing days between January 20 and March 17, and the Pacific Glacier caught 7,973 metric tons during four trips in twenty-seven days of fishing between January 22 and March 16. The vessels fished for both coop/AFA pollock and CDQ pollock during these trips and days, alternating from one to the other depending on the make-up of the catch. NSEDC fishing operations for pollock in the A season were completed during the first quarter.

In addition to the harvest of CDQ pollock directly under the management of NSEDC, we also traded CDQ pollock for coop/AFA pollock with American Seafoods and CVRF. The Pacific Glacier and Northern Glacier harvested this pollock during the quarter and NSEDC will receive a harvest royalty as if it were CDQ.

We have estimated that this harvest is worth roughly \$4.3 million in CDQ tonnage royalty payments to NSEDC, including our roe revenue share. This estimate is based on the average dollar per metric ton value for all products and revenues that were provided by GFC and does not reflect actual payments.

**Summary of bycatch:** The bycatch rate of other CDQ fish species in the pollock target fishery during the first quarter was 1.00% of the pollock harvest. The bycatch was made up of a mix of CDQ species including Pacific cod, flathead sole and rock sole, with smaller amounts of other flatfish species, arrowtooth flounder, squid, and other species. The bycatch rates of chinook salmon and halibut were relatively low.

**Processing report:** Products from A season processing of CDQ pollock included roe, deep skin and regular fillet blocks, surimi, and mince.

**Compliance/enforcement issues:** To the best of our knowledge, the Northern Glacier and Pacific Glacier were in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. There were no violations reported by NMFS Enforcement.

## **Pacific Cod**

NSEDC harvested Pacific cod in targeted CDQ fishing operations in the Bering during the first quarter. The open access fishery closed on March 15 and CDQ fishing started immediately thereafter with the F/V Norton Sound and F/V Glacier Bay. These vessels harvested 614 metric tons of CDQ Pacific cod in two partial trips during a combined twenty-five days of fishing. We estimated this harvest to be worth about \$120,000 in royalty payments to NSEDC.

**Summary of bycatch:** The catch of other CDQ species in the Pacific cod target fishery accounted for approximately 23% of the cod harvest. This bycatch primarily consisted of ‘other species’ including skate and sculpin and non-quota pollock, with smaller amounts of rock sole, a mix of flatfish and rockfish. Halibut bycatch was relatively low.

**Processing report:** Products from our Pacific cod CDQ fishery were primarily headed and gutted, eastern-cut and western cut cod packaged and frozen in approximately 40-pound and 50-pound blocks.

**Compliance/enforcement issues:** To the best of our knowledge, the Norton Sound and Glacier Bay conducted CDQ Pacific cod fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. There were no violations reported by NMFS Enforcement.

## **Sablefish**

There was no directed harvest of CDQ sablefish and during the first quarter. NSEDC has plans to commence targeted fishing operations for these species during the next quarter.

## **Greenland Turbot**

There was no directed harvest of CDQ Greenland turbot during the first quarter. NSEDC has plans to commence targeted fishing operations for these species during the next quarter.

## **Atka Mackerel**

There was no directed harvest of CDQ Atka mackerel during the first quarter. NSEDC will commence targeted fishing operations for Atka mackerel during the third or first quarter of the year.

## **Yellowfin Sole and Rock Sole**

There was no directed harvest of CDQ yellowfin sole, rock sole and/or other flatfish fisheries during the first quarter. NSEDC may commence limited targeted fishing operations for flathead sole during the next quarter.

### **Halibut**

There was no harvest of CDQ halibut during the first quarter. NSEDC will conduct halibut fishing operations in the region perhaps starting in the middle of June or no later than July 1st.

### **Bering Sea Opilio Crab**

During the first quarter, the F/V Alaskan Beauty and F/V Ocean Olympic – vessels which are partially owned by NSEDC - harvested and delivered a total of 381,692 pounds of CDQ opilio crab including both live and dead crab out of a total CDQ allocation of 381,715 pounds. The fishery commenced on February 1 and the final delivery of crab was made by March 9. NSEDC vessels harvested all except for 23 pounds of the CDQ opilio allocation in four deliveries. Dead loss from this harvest was about 4,946 pounds or 1.3 % of total CDQ poundage delivered.

NSEDC received royalty payments (at \$1.85 per pound grounds price) for delivered CDQ opilio (excluding dead loss) of \$311,757. NSEDC placed and paid for crab observers on both harvesting vessels.

### **Summary of bycatch: N/A**

**Processing report:** Royal Aleutian Seafoods processed the catch of CDQ opilio at their shoreside facility located in Dutch Harbor. NSEDC operated under a joint venture arrangement for the processing and sales of product with Royal Aleutian. Opilio product included various sizes of frozen clusters packed in 25-pound boxes.

**Compliance/enforcement issues:** To the best of our knowledge, the NSEDC-contracted vessel conducted CDQ crab fishing operations in compliance with applicable federal and state laws and regulations governing the opilio crab fishery in the Bering Sea. There were no violations reported by NMFS Enforcement. The Alaskan Beauty and Ocean Olympic both carried a crab fisheries observer as required.

### **Norton Sound Red King Crab**

There was no harvest of CDQ red king crab in the Norton Sound fishery during the first quarter. ADF&G is projecting that the GHL for this fishery will be set at about the same level as last year – approximately 250,000 pounds for the entire GHL and roughly 9,300 pounds of CDQ allocated to NSEDC. The CDQ fishery will probably commence around June 15 or 7 days after the close of the Norton Sound herring fishery, allowing local fishermen about two weeks to harvest the CDQ quota of red king crab prior to the start of the open access fishery.

### **Bristol Bay Red King Crab**

There was no harvest of CDQ red king crab in the Bristol Bay fishery during the first quarter. A groundfish crab survey to assess the status of the crab stocks will be conducted by ADF&G this summer. The GHL for this season - starting in October or November - will be set sometime thereafter. NSEDC will commence targeted fishing operations after the open access harvest probably during the first quarter.

### **St. Matthew Blue King Crab**

There was no harvest of CDQ king crab at St. Matthew during the first quarter. This commercial crab fishery is closed again to open access and CDQ harvest in 2003.

### **Bering Sea Bairdi Crab**

There was no harvest of CDQ bairdi crab during the first quarter. This commercial crab fishery is closed again to open access and CDQ harvest in 2003.

## **V. Confidential Issues**

### **A. Financial Statements**

NSEDC Statement of Financial Position (Attachment 1)  
NSEDC Statement of Activities (Attachment 2)  
NSEDC Statement of Cash Flows (Attachment 3)  
NSEDC Administrative Expense Schedule (Attachment 4)  
NSEDC Budget to Actuals (Attachment 5)  
NSEDC Species Royalty Analysis (Attachment 6)  
Glacier Fish Company Report  
    Balance Sheet (Attachment 7)  
    Comparative Schedule of Operations (Attachment 8)  
    Statement of Cash Flows (Attachment 9)  
Norton Sound Ventures LLC  
    Balance Sheet (Attachment 10)  
    Consolidated Income Statement (Attachment 11)  
    Statement of Cash Flows (Attachment 12)

In accordance with State of Alaska Statutes 6AAC93.070 (b), (c), and (d), NSEDC requests these and other documents marked "CONFIDENTIAL" be kept confidential and not released to the public or any other party.

### **B. Tax Issues**

None

**C. Imminent Major Investments**

None, other than anything that NSEDC may have provided to the State of Alaska under a confidentiality petition.

**D. Other**

Also included as attachments to this report are the following items:

- NSEDC newspaper advertisements for the following:
  - NSSC Marketing (Attachment 14)
  - NSSC Marketing (Attachment 15)
  - NSSC Marketing (Attachment 16)
  - NSSC Welcome Iditarod (Attachment 17)
  - NSEDC Information & Fisheries Safety Class (Attachment 18)
  - NSEDC Fisheries Safety Class & 4th Qtr Meeting (Attachment 19)
  - NSSC Marketing – 3 ads (Attachment 20)
  - NSSC Marketing – 4 ads (Attachment 21)
  - NSSC Marketing & NSEDC Proposal Deadline (Attachment 22)